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TO RUEHC/SECSTATE WASHDC PRIORITY 4769
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RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 0656
RUEHKO/AMEMBASSY TOKYO 1359
RUEHUL/AMEMBASSY SEOUL 0351
RUEAIIA/CIA WASHDC
RHEFAAA/DIA WASHDC
RHEHNSC/NSC WASHDC 0832
RUEKJCS/SECDEF WASHDC 0748
RUEKJCS/JOINT STAFF WASHDC
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SENSITIVE
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SUBJECT: KAZAKHSTAN: NEW CHAIRMAN APPOINTED TO HEAD DRUG
COMMITTEE, OLD CHAIRMAN RESIGNS IN WAKE OF SCANDAL

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¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY: Colonel Zhanat Suleimenov was appointed Chairman of the Committee on Combating Drugs on February 25. Colonel Askar Isagaliyev, the previous chairman, resigned in early February, in a suspected attempt to avoid being fired for his involvement in a contracting scandal. END SUMMARY.

NEW CHAIRMAN

¶3. (U) On February 25, Colonel Zhanat Suleimenov was appointed Chairman of the Committee on Combating Drug Trafficking and Controlling the Circulation of Narcotics of the Ministry of Internal Affairs (MVD). Suleimenov had been the First Deputy Head of the Police Department of Pavlodar Oblast since December 2004.

¶4. (U) Suleimenov graduated from the Karaganda MVD Police School in 1984 and spent his early career as an operations officer. From 2001 to 2002, Suleimenov headed the Center for Interagency Cooperation and Joint Operations in the Fight against Drug Trafficking of the MVD's Department on Combating Drug Trafficking (the predecessor to the Committee on Combating Drugs), and later he became head of the whole Department. During 2003-04, he was the Deputy Director of the MVD's Criminal Police Department (the predecessor to the Criminal Police Committee).

PREVIOUS CHAIRMAN'S SCANDALOUS DEPARTURE

¶5. (SBU) When Askar Isagaliyev was appointed Chairman of the Committee on Combating Drugs in August 2008, there was speculation his tenure would be short-lived and he would soon be fired due to a scandal surrounding a construction contract.

¶6. (SBU) In January 2005, the Committee on Combating Drugs launched a project to build internal narcotics checkpoints on six main routes throughout the country, in order to interdict narco-traffickers. (NOTE: INL provided equipment and built an inspection hangar at one of the checkpoints, outside of Almaty oblast. INL and UNODC, the implementing partner, conducted an assessment of the checkpoints with an international expert. END NOTE.)

¶7. (SBU) In March 26, Aidar Kurylys Consulting was awarded a contract by a committee chaired by Isagaliyev, who at that time was Deputy Chairman of the Committee on Combating Drugs. The company was to be paid 78.5 million tenge (about \$650,000 at the time) to act as the general contractor for the construction of the six checkpoints. The contract required the company to submit design and budget estimates by June 2006 and complete construction by August ¶2006. Almost half of the projected budget (37 million tenge) was paid to the company before work was started. The company announced that it had completed the project in November 2006. However, independent experts conducted an assessment of one of the posts in December 2006, and found that the quality of the construction was poor. The Committee on Combating Drugs refused to pay the balance owed to the company. In April 2007, the MVD office in Akmolinsk Oblast reported to General Nukenov, who was Chairman of the Committee until June 2008, that the inspection hangar constructed at Arasan was unusable and could not even be rebuilt.

¶8. (SBU) The Ministry of Finance took the case before the Special Economic Court in Astana, seeking to annul the contract. It was later learned that Aidar Kurylys Consulting did not have a license for the implementation of this type of construction project. In December 2007, the court declared the contract invalid. However, Aidar Kurylys Consulting then filed a suit against the Committee demanding payment of the 41 million tenge balance owed under the contract, plus punitive damages. The Committee filed a counter-suit against the company demanding the return of 37 million tenge already paid out. General Nukenov ordered Lieutenant Colonel Yergali Aliaskar, an attorney for the Committee on Combating Drugs, to represent the Committee in the matter.

¶9. (SBU) In May 2008, on the grounds that Isagaliyev had signed off on the completion of the project, the court ordered the Committee to pay the remaining balanced owed under the contract, plus 44.5 million tenge in punitive damages and additional fees. One month

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later, the parties entered into an agreement for the Committee to pay 40.5 million tenge by October 15, 2008.

¶10. (SBU) After Isagaliyev became Chairman of the Committee in August 2008, he confronted Yergali Aliaskar about losing the case to the construction company and accused him of incompetence. Allegedly feeling threatened, Aliaskar resigned and took with him the original documents related to the agreement between the Committee and Aidar Kurylys Consulting. Aliaskar wrote to the Procurator General's Office, Financial Police, and the ruling Nur Otan party to explain the situation. The MVD's Department of Internal Security contacted Aliaskar to demand the return of all original documents to Chairman Issagaliyev. Aliaskar is currently in hiding.

¶11. (U) The INL-funded assessment report of the UN expert in December 2007, the visit of Post to checkpoints, and recent new photos confirms that no post, other than the one supported by INL, has appropriate administrative buildings or inspection hangars.

¶12. (SBU) COMMENT: Newly-appointed Committee Chairman Suleimenov previously conducted organizational and analytical work in the counternarcotics area and has managed canine work. Post believes that he is well suited to develop a clear strategy for improving counter-narcotics efforts. END COMMENT.

HOAGLAND